

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

BOARD OF DIRECTORS

MINUTES OF Tuesday, July 29, 2009 MEETING

Board Members Present: John Rupp, Edward Field; Thomas Deller; William Kennedy; Michael Lewis; Rochelle Lee; Jerome Williams; and Stephen Durkee.

Also Present: Alfred J. Moscola (General Manager); Lori Caron Silveira (Outside General Counsel); Henry Kinch; Maureen Neira; Mark Therrien; and Ellen Mandly.

Agenda Item 1: Approval of the Minutes of June 15, 2009 Meeting

Mr. Rupp called the meeting to order and asked if the Board members had an opportunity to review the minutes of the June 15, 2009 Board of Directors meeting. The members indicated that they had and Mr. Kennedy made a motion to approve the minutes with two minor changes to pages 6 & 8 as suggested by Mr. Field. Mr. Deller seconded the motion and the minutes were unanimously approved.

Agenda Item 2: General Manager's Report

Before beginning his General Manager's report, Mr. Moscola noted the reappointment of Jerry Williams, Bill Kennedy and Tom Deller to the Board of Directors. He welcomed Mr. Williams back to the Board and expressed his appreciation to Messrs Deller and Kennedy for their many years of service to RIPTA.

Next Mr. Moscola discussed the cost of fuel saying the price has been locked in at \$2.36 per gallon against a budgeted price of \$2.40 which will result in a savings of \$87,000 for FY 2010.

Mr. Moscola discussed the aging RIPTA fleet whose average bus is nine (9) years old. He reported RIPTA will be getting 24 new Gillig low floor buses based upon the design of the pilot bus which will arrive at RIPTA next week. He explained the process by which staff and Gillig work to develop and approve the pilot bus and said that after the pilot bus is received and signed off on, the remaining 23 buses will be constructed to the same specifications and should be received by December 2009. Mr. Moscola then briefly discussed RIPTA's fleet plan and bus purchase procedures.

Next the General Manager reported on the hybrid trolley preproduction meeting he held with staff and said each line of the specifications was reviewed and the RFP will be issued July 20th. He expects Orion, Nova, Gillig, Nabbie and New Flyer to submit bids. Mr. Moscola said bids should be received by September and at that time staff will review the bids and make a recommendation to the Board

for the award in October. He said the award will be for 163 buses with an option for another 6 and the RFP is for 35 & 40 foot clean diesel buses with a hybrid option.

Next Mr. Moscola introduced Mike Burke, the Clerk of the Works who gave his bi-monthly construction report on RIPTA's new Paratransit Facility. Mr. Burke distributed photos illustrating the progress of the construction as of June 30, 2009 and said the building is 54.75% complete and is on time and on budget. He said excavation is complete, masonry work is 70% complete and the next steps will be to construct the rooftop, mechanical and electrical and the parking deck will be completed.

Mr. Burke reported on other various construction areas saying the interior slabs and utility work is on schedule, the large skylight has been installed, window installation has begun and the administration building should be complete by December.

He continued saying there have been 9 change orders to date totaling \$2.1% of total budget and he reiterated the change orders discussed at the last meeting and answered questions posed by Mr. Williams saying \$1.9 million of the contingency remains. Following a brief Q & A, Mr. Burke completed his report and Mr. Moscola thanked him and said he is happy with the progress on the building.

Mr. Rupp asked questions relating to the financials in the General

Manager's report, which Ms. Neira answered. Mr. Field asked that an update on land disposal be given at the next Finance Committee meeting.

Agenda Item 3: Kennedy Plaza/Other Routes – Security

First, Mr. Rupp relayed a recent conversation he had with Providence Police Chief Dean Esserman who offered his assistance to RIPTA in policing Kennedy Plaza. The Chairman noted that Chief Esserman has been very helpful to RIPTA in the past and he promised continued support in the future. Mr. Rupp remarked on the valuable assistance of the Providence Police and the General Manager agreed that RIPTA and the Providence Police have had a good relationship.

Jerry Williams asked if there were any statistics available relating to security incidents at Kennedy Plaza and Mr. Moscola responded that we do not track incidents aside from passenger illness, however there have been no recent incidents of robbery or unruliness. He added that Kennedy Plaza has had many customer enhancements in recent years.

Mr. Rupp described a recent incident of a passenger with dementia on the bus. He said her daughter complained to RIPTA and the Pawtucket police regarding the handling of the incident, which turned out to be a case of mistaken identity. Mr. Moscola said RIPTA has good relationships with local police officials, particularly in

Providence with Chief Esserman who has invited the General Manager to attend his staff meetings.

Agenda Item 4: Organizational Chart/Nonrepresented Employees

Mr. Rupp asked for a discussion of the RIPTA's organizational structure to benefit the new Board members. Mr. Moscola discussed the organizational chart saying he has ten direct reports, eight of whom are Assistant General Managers. Of the 842 total RIPTA employees 26 are non-represented employees.

The General Manager introduced each AGM and Director and elaborated on the position descriptions in the organization chart. He noted that the senior staff is small, but we work well together as a team to support one another and he feels the senior staff does an excellent job.

Mr. Rupp asked that periodic reports be given so the Board remains familiar with the senior staff, their team players and their current projects. Mr. Kennedy agreed that the senior staff works well as a team to resolve issues. Mr. Rupp added that in contrast to some negative local perception, RIPTA enjoys a good reputation nationally and is held in high regard. He said there is always room for progress and we must work to maximize recent funding and continue to provide quality service. He pledged the Board's support to achieve this goal.

Agenda Item 5: Finance Committee Report

Mr. Field reported that the Finance Committee met on July 14, 2009 and discussed the 5-year Capital budget and questioned staff on the assumptions and concluded that Ms. Neira's operating and Capital budget assumptions are reasonable. He said the chief outstanding question is whether the stimulus funds can be converted to operations dollars and if so how those stimulus funds will be applied.

He said the Committee asked staff to compile information on solar panels for existing structures and to ascertain the energy savings of such a project. Mark Therrien has been assigned to the solar panel project.

Mr. Deller added that the Committee is satisfied with the FY 2011 – FY 2015 Capital Budget before the Board for a vote today.

Agenda Item 6: FY 2011 – FY 2015 Capital Budget

Lilly Picchione addressed the Board to discuss the FY 2011 – FY 2015 Capital Budget which she said must be submitted in July to be included in the Governor's capital plan.

Ms. Picchione explained that RIPTA must submit a five year rolling

plan which includes detailed information on capital projects. Significant projects are bus/flex vehicle replacement, paratransit van replacement and software/ITS upgrades, Paratransit operation & support center construction, land and building enhancements, Kennedy Plaza repaving, Elmwood repairs and upgrades, bus wash repairs/replacement and the bus rapid transit corridor.

Ms. Picchione said the chief purpose of the 5-year capital budget is for the State to review its contributions to local match and to ensure that various branches of government are working together. She said this is a working document which will change over time and each project will get a final Board vote prior to implementation.

She described the process further and then asked for questions. Mr. Deller asked about the bus purchase RFP relative to the capital improvement program fixed route/flex/paratransit chart in the bound capital budget document and said he heard Washington may move on transportation funding in October. Ms. Picchione said this is a working document so any changes to transportation funding will be incorporated.

Mr. Moscola said the bid was based upon 63 buses. He said he will insure that the numbers in the capital budget remain consistent with his fleet plan.

Ed Scott answered questions regarding the proposed ITS system

upgrade, the timing of such, the transfer of technology to new bus purchases and system expansion capabilities. Mr. Moscola noted that this is a significant project that he and staff have worked on for years. Mr. Lewis asked when implementation would take place and Mr. Scott said it is an 18 – 24 month process.

Mr. Williams asked the process for disposal of old buses and Mr. Moscola said that after usable parts are harvested, the buses are sometimes sold for scrap. Mr. Williams asked if they could be fixed up and sold and Mr. Moscola said this can sometimes be done via adds in Passenger Transport. Mr. Rupp asked if RIPTA can keep the profits from such a sale and Ms. Picchione said yes, once a bus is beyond its 12-year useful life; if the bus is disposed of early the federal government is returned its share of the value.

Following this discussion Mr. Kennedy made a motion to approve the FY 2011 – FY 2015 Capital Budget as presented. Ms. Lee seconded the motion and it passed unanimously.

Agenda Item 7: ARRA Program Update

Mark Therrien and Lilly Picchione addressed the Board to give a report on the ARRA program. She reminded the Board that Rhode Island received \$38 million in stimulus funds to create jobs and save energy.

Ms. Picchione said 50% of the funds had to be obligated and RIPTA has achieved this benchmark ahead of the September 1st deadline. She described the hybrid bus purchase and engine retrofits and said the Kennedy Plaza paving project has been put out for bid. The next grants are due by December 30th. RIPTA has also submitted applications for additional Stimulus funds for environmental items such as transit signal priority and energy efficient lighting. Ms. Picchione spoke briefly about other aspects of the ARRA program then asked for questions.

Mr. Field asked about converting a percentage of the funds to cover operational costs. Ms. Picchione said President Obama signed an order authorizing the use of 10% of stimulus funds for operating costs which would mean about \$3.7 million for RIPTA depending upon RIDOT's needs.

Ms. Picchione said that if the board approves the use of Stimulus funds for operating assistance, the decision will need to be made whether operating funds would come from 1) budgeted projects not yet in grants, or 2) replacing planned hybrid buses with clean diesel buses. Mr. Deller asked if the goal is to not spend capital dollars on operating and Mr. Rupp said that is our target. Mr. Lewis cautioned that this is a one-time influx of funds and to not rely on stimulus dollars too much.

Mr. Deller asked Ms. Picchione to include a summary of stimulus

budgets in the monthly Board package. Ms. Picchione said she will include this but cautioned that the numbers change frequently as bids come in and budgets further defined.

Mr. Rupp asked about the lead time for bus purchases and Mr. Moscola said that a standard bus takes about 15 months to manufacture while a flex type vehicle requires about 6 months. He added that many transit properties are using stimulus funds for bus purchases and upgrading to hybrid vehicles and for this reason some bus manufacturers have had to beef up their workforce to keep up with demand. Mr. Moscola answered additional questions regarding bus manufacturing specs and timing.

Agenda Item 8: Tiered Fares and Park & Ride Presentation

Mark Therrien and Tim McCormick addressed the Board to discuss their Powerpoint presentation entitled “Highway Ride” Premium Fare Proposal July 2009.

Mr. McCormick began by saying premium service would charge riders coming and going from Providence for a significant distance a higher fare. He described two versions of the proposal one including route 60 which runs from Newport to Providence and one without route 60 and discussed the chart on page 3 which illustrated various routes which could be included in the premium services.

He continued expounding on the chart outlining premium fare pricing and the effects of route 60 on ridership and revenue. Mr. Rupp reminded the Board that passengers were very supportive of premium fares at public hearings.

Mr. McCormick discussed the pluses of a premium fare saying they are less problematic for riders and drivers than zone based fares, generate additional revenue and seem to provide equity to some riders, members of the public and legislators. Negative aspects include a reduction in ridership on existing service, rider confusion, driver/passenger conflicts, farebox and fare product issues, promotes “fare beating” and misconceptions related to suburban versus rural passengers. He elaborated on each of the negatives.

Next Mr. McCormick read the statement on page 15 where the Governor’s panel recommended that RIPTA implement a differentiated service from park and rides to Kennedy Plaza at a premium fare and stated that our current park and ride service is inefficient in terms of revenue recouped.

Mr. McCormick then discussed net passenger costs which are much lower in the inner city versus rural areas. When asked why the cost was so high in rural areas Mr. McCormick explained that there are no bus garages in outlying areas and drivers must “dead head” back to Providence with empty seats. Mr. McCormick then answered questions regarding deadheading, alternative options and a possible

south county garage.

Mr. Therrien said URI has offered land for the construction of a south county garage. Mr. McCormick said an analysis was done which determined that 30 buses would have to be housed to make it worthwhile. Mr. Field commented that this would make sense if the State's goal is to get cars off of Routes 1 & 4. Mr. Lewis commented that the proposed commuter rail service would also alleviate the problem and answered questions as to its progress.

Mr. McCormick addressed the final page on short and long term strategic planning. He said that while differentiated service eliminates some system misuses and doesn't ask the public to pay more money for the same old service it will actually worsen RIPTA's financial position because of the high cost of the fare, about \$8.15 per rider.

Mr. Durkee commented that in general it seems tiered fares don't work and Mr. Moscola said that generally it does not work for RIPTA, however he supports the idea of nonstop or one stop express service. He said if you make the service different, you can build ridership. Mr. Williams and Mr. Rupp asked that the issue of express and premium service and a south county garage be included for discussion of strategic planning.

Agenda Item 9: Federal Surface Transportation Reauthorization

Mark Therrien and Amy Pettine addressed the Board to discuss Federal Surface Transportation Reauthorization. Mr. Therrien said that as part of the reauthorization process Rhode Island Representatives have solicited appropriations requests from RIPTA and others for high priority projects to be included in the reauthorization bill. The Finance Committee approved two requests totaling \$103 million, \$28 million for statewide bus replacement and \$75 million for the Metro Providence Streetcar project.

Because of the increased pressure from the representatives to move forward now Mr. Therrien and Mr. Deller discussed this issue and decided to brief the Board now on these projects which include: improvements to Kennedy Plaza and other transit hubs; improvements to high priority transit corridors including Routes 11 and 99; strengthening intermodal connections between rail, bus, bike, etc; and development of a starter line streetcar system in Providence.

Mr. Therrien said that RIPTA is currently conducting or participating in several long-range planning processes throughout the state including Aquidneck Island and Washington County with the long and short term goals of improved transit in Rhode Island. Included are major capital projects ranging from a new garage at URI to expanded park and ride lots and key elements that have emerged from the Metro Providence Transit Study that will require capital plans and

investment.

Mr. Therrien said that the Washington County study is highly dependent on URI who are really committed to transit and noted that the plans for Kent County revolve around rail service. He stressed the need to work with RIDOT and other State agencies and said he intends to report to the Board on the progress of the studies.

Mr. Deller commented on the need to tie transit to state growth. He said we need to look to where business and industry is and plan for the impact on transit because transit is a big part of economic development. Mr. Lewis commented that statewide planning is the anchor and Ms. Pettine commented that RIPTA is the mobility manager.

Mr. Therrien answered questions about the various studies and then Mr. Field commented that the important component is to know where people are and where they need to go for school, work and shopping. Ms. Pettine said they are studying census data and all available information to gather this information. Mr. Field said if better market research data is needed we should apply for a grant. Mr. Therrien said this was done in the past and he will look into updating that information. Mr. Lewis said coordination among state agencies is the key.

Agenda Item 9: New Freedoms/Jobs Access & Reverse Commute

Mr. Therrien discussed the request for Mr. Moscola to enter into contracts on behalf of RIPTA for New Freedoms & Jobs Access Reverse Commute. He explained New Freedoms seeks to assist persons with disabilities in overcoming transportation barriers and Jobs Access, which used to be called welfare, aims to assist low income people in traveling to work or work related activities.

Mr. Therrien said that SAFETEA-LU which governs the programs mandates that projects be developed through a coordinated plan developed by transit and human services agencies and the selection be a competitive process. RIPTA worked with state and local human services agencies to develop a coordinated plan and then via a competitive selection process solicited proposals and received four funding requests, two from RIPTA and a request for the purchase of an accessible taxi from Valley Taxi of Woonsocket and a request from Family Resources Community Action, a Woonsocket based human services private non-profit agency for providing transportation information services and provision of transportation for low income persons who work in certain areas and at certain times when no transportation is available. Both agencies committed to provide the local match for their projects.

Mr. Therrien elaborated on the types of transportation services that Valley Taxi and FRCA would provide and answered various questions on the programs in general and the purchase of wheelchair

accessible cabs for Valley Taxi. Mr. Deller asked for clarification that RIPTA would be purchasing a vehicle for a private company and Mr. Therrien said that is correct. Mr. Rupp wondered who carried the insurance on the taxis and Mr. Therrien said Valley Taxi would and a hold harmless provision for RIPTA would be added to the contract. Mr. Therrien said the vehicle will not be registered to RIPTA but we will be a lien holder on the title. Mr. Moscola added that the Public Utilities Commission would regulate the service, but RIPTA will make sure the vehicle is maintained.

Mr. Therrien acknowledged that there are many questions regarding how this program will proceed in the future, but at this time our legislators have let us know that they want RIPTA involved. He said there is no cost to RIPTA, the grant is processed and monitored by RIPTA and the money passes through us for use by the other agencies. Mr. Lewis cautioned that these programs need to be watched very closely to ensure that their growth does not cost RIPTA money. Mr. Rupp expressed concern regarding the amount of time staff will expend in monitoring the program.

Following this discussion Mr. Lewis made a motion to authorize management to contract with Family Resources Community Action and Valley taxi for the implementation of the projects and that RIPTA be authorized to contract with other agencies that are selected to participate in Jobs Access and new Freedoms in the future. Mr. Durkee seconded the motion and it passed unanimously.

Agenda Item 10: 09-27 Non-Revenue Trucks

Roger Mencarini addressed the Board to discuss the procurement for Non-Revenue Trucks and explained that these vehicles are to replace the current fleet of four wheel drive plow equipped trucks which are past their useful life, many of which are more than 15 years old.

Mr. Mencarini explained the competitive bid process and after receiving one bid noted that the procurement department conducted a single bid analysis. The price submitted by the single bidder Colony Ford of Warwick, RI was deemed fair and reasonable therefore staff recommends the award of a contract to Colony Ford Truck Center for the supply and delivery of six pickups, a stake body truck and a dump truck as a cost to the Authority of \$399,055.

Following a brief discussion Mr. Deller made a motion that the award of a contract to Colony Ford Truck Center be approved as recommended by staff. Mr. Durkee seconded the motion and it passed unanimously.

Agenda Item 11: In-House Counsel

Mr. Kinch addressed the Board to discuss potential In-House Legal Counsel and said staff had worked with Mr. Field and the Finance Committee on this issue and developed a survey to query other state

agencies.

Mr. Kinch referenced the In-House and Outside Counsel Summary included in the Board package and noted that of the 14 agencies contacted only 3 had in house counsel, the remaining 11 agencies used outside counsel. Due to the varied and sundry responses it is difficult to make a definite recommendation to hire and in-house at RIPTA. Mr. Kinch did note that the 3 agencies that employed in-house counsel were self funded meaning less oversight.

Mr. Kinch noted one of the agencies, RI Housing, conducts hundreds of real estate closings a year which requires narrow expertise whereas RIPTA deals with tort cases, accidents, human resources issues, etc. which would require an in-house attorney with vast experience in each of the noted legal areas. He added that RIPTA has done a good job of managing its legal expenses as the numbers show and does not feel in house counsel would be cost effective.

Mr. Rupp feels the value of an in house attorney would come in managing legal expenses and better coordination of effort. He also feels there are some missed opportunities where having counsel involved would prove fortuitous. Mr. Lewis noted that in certain instances outside specialized counsel would still be needed.

Mr. Moscola commented that many large transit agencies employee in-house counsel and he believes there would be merit in contacting

some of them for input.

Mr. Kennedy expressed his opposition to hiring in-house counsel saying in his opinion the outside attorneys who represent RIPTA including Mr. Prescott, Ms. Silveira and Mr. Kelliher do an excellent job.

Mr. Deller suggested breaking the legal services into categories to determine how RIPTA has spent money on legal services over the past three years and then comparing this with the information RIPTA received from other state agencies. He suggested that this issue be vetted further at Finance Committee to determine if the savings would be enough to compensate for the effort. Mr. Lewis agreed with this suggestion.

Ms. Silveira expounded on the capabilities of she and her firm and she discussed some of the services they perform on behalf of RIPTA. A brief discussion ensued among the members and following the discussion Ed Field made a motion to remand this issue to Finance Committee. Mr. Durkee seconded this motion and it passed unanimously.

Agenda Item 12: Ferry Update

Mr. Kinch began his report on the new ferry service by saying this project has been a challenge. He and the General Manager went to

see the ferry in dry dock last Friday and he said the boat looks good and Mr. Moscola said the new canopy and seats look very good.

The ferry company said the Coast Guard inspected the vessel and gave them a list of 71 items that must be fixed before it can go into service. The new date for service is August 8th. Mr. Kinch noted that the RFP had a late start and he thinks the ferry company underestimated the repairs and availability of parts and the uniqueness of the vessel has been an issue.

Mr. Rupp thanked Mr. Kinch for his report.

Agenda Item 13: Executive Session

Mr. Rupp asked for a motion to convene an executive session and Mr. Deller moved that RIPTA adjourn to executive session as noticed on the agenda under 42-46-5(a)(2) to discuss litigation matters. Mr. Lewis seconded the motion. A roll call vote was taken on the motion to convene to executive session. All members voted unanimously to convene an executive session.

Agenda Item 14: Public Comment

Bill McGee a retired RIPTA employee asked Chairman Rupp if he could make a public comment prior to executive session and Mr. Rupp agreed. Mr. McGee stated he disagreed with using cabs and

avored expanding RIPTA's Ride program instead. He feels the riders would have a higher level of comfort with drivers employed by RIPTA.

Mr. McGee also expressed support for reinstituting and expanding service on the Auburn route in Cranston by using stimulus funds. Finally Mr. McGee expressed outrage that certain RIPTA retirees' medical co-pays have been increased.

Agenda Item 13: Executive Session - continued

Following the Board's return to open session Mr. Deller made a motion to seal the minutes of the Executive Session, and Mr. Field seconded the motion, which passed unanimously.

Agenda Item 14: Public Comment - continued

Returning to public comment, Mr. Rupp recognized Bill Legere owner of Northwest Transportation Company (a Ride Program service provider) and owner of Valley Cab, Inc. Mr. Legere gave a brief history of Valley Cab Company and an outline of the services he provides to various individuals and entities. He discussed legislation introduced in 2007 requiring all cab companies to have handicap accessible vehicles, which legislation was later put on hold following a meeting with the Governor's Commission on Disabilities. As a member of the committee he attended the meeting and he listed the

other attendees, but no further action was ever taken. He said that now Rep. Coderre has introduced a resolution that would recommend every RI cab company to have a handicapped accessible cab.

Mr. Legere then discussed the process and cost to convert minivans to handicapped accessible cabs which runs about \$25,000 for a used vehicle and \$40,000 new one. He discussed a meeting held with Rep. Coderre and the commission members where the representative said the legislation would be pushed through if the New Freedoms program did not move forward. He said this legislation would force cab companies out of business.

Mr. Legere was the only cab company to submit a proposal under the New Freedoms program and his proposal suggested a pilot program where every section of the state is issued a wheel chair accessible vehicle using the federal funds. He said Green Airport is the key but the owner of Airport Taxi did not submit a proposal, although Mr. Legere feels he is willing to participate. Mr. Legere's proposal suggested using Mr. Mercer at the Public Utilities Commission to obtain the name of five (5) additional cab companies to participate in the New Freedoms program with Valley Cab so the entire state is serviced. He described his proposal further and said the program needs to be expanded beyond Woonsocket or the state will pass the resolution forcing all cab companies to have wheelchair accessible vehicles which is too cost prohibitive.

Mr. Rupp asked what his proposal had to do with RIPTA and Mr. Legere said RIPTA is the designee of the funds so the New Freedom dollars for the purchase of the vehicles would have to pass through RIPTA. Mr. Rupp noted that no other cab company has come to RIPTA to express interest. Mr. Legere responded that there is interest, they just have not completed the paperwork and he again suggested using the PUC to set up a pilot program.

Mr. Deller commented that if we offered the five (5) largest cab companies in the state the funds for the purchase of handicap accessible vehicles they would be likely to agree. He suggested further investigation by Mr. Therrien. Mr. Moscola said that the program was just approved today and what Mr. Legere is suggesting is paramount to an immediate expansion of the program. Mr. Rupp said his issue is not with the pilot program but with going out to solicit additional participants. Mr. Field commented that if Mr. Legere stepped up and did what was necessary to participate, the other companies should do the same.

Mr. Rupp questioned whether RIPTA can approach cab companies and said this is a question for the PUC.

Mr. Legere said he would to discuss this issue with staff further after the meeting with staff. Mr. Rupp thanked him for his comments.

Agenda Item 15: Adjournment

A motion to adjourn was made by Mr. Deller. Mr. Field seconded the motion and it passed unanimously.

Respectfully submitted,

Ellen M. Mandly

Recording Secretary